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ILLINOIS COMMERCE COMMISSION

Docket No. 02-0168

DIRECT TESTIMONY

OF

LEONARD A. MANS

ON BEHALF OF

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY

d/b/a AmerenCIPS

St. Louis, Missouri
April 29, 2002

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3 **ILLINOIS COMMERCE COMMISSION**

4 **Docket No. 02-0168**

5
6 **DIRECT TESTIMONY**

7 **OF**

8 **LEONARD A. MANS**

9 **ON BEHALF OF**

10 **CENTRAL ILLINOIS PUBLIC SERVICE COMPANY**

11 **d/b/a AmerenCIPS**
12

13 **Q. Please state your name and business address.**

14 A. My name is Leonard A. Mans and my business address is 1901 Chouteau Avenue,
15 St. Louis, Missouri.
16

17 **Q. By whom are you employed and in what position?**

18 A. I am employed by Ameren Services Company as a Supervisor in the General
19 Accounting Department of the Controller's Function. Ameren Services Company is a
20 part of the Ameren Corporation (Ameren) system which was formed by the December
21 1997 merger of Central Illinois Public Service Company (now doing business as
22 AmerenCIPS) and Union Electric Company. Ameren Services Company provides
23 AmerenCIPS and Union Electric Company (now doing business as AmerenUE) and other
24 companies within the Ameren system with a variety of administrative, management and
25 support services, including accounting services.

1
2 **Q. Please describe your educational background and work experience.**

3 A. I received a Bachelor of Arts degree in Business Administration with a major in
4 accounting from Fort Hays University in May, 1970. I was employed by Union Electric
5 in June, 1970 and worked as an employee of that company until the December 1997
6 merger mentioned above. I have held several positions as an accountant in the various
7 departments of the Controller's Function and the Rate Department. For nine years I
8 served as the Control Section Supervisor in the Customer Accounts Department. I
9 commenced my position of General Ledger Supervisor with Union Electric in November,
10 1996 and assumed the same position with Ameren Services Company upon completion of
11 the merger.

12
13 **Q. What are your duties as Supervisor in the General Accounting Department?**

14 A. My duties and responsibilities include supervising the maintenance of the general
15 books and accounting records of Central Illinois Public Service Company. I also have
16 responsibility for supervising the calculation and filing with this Commission of the
17 monthly information and Annual Report required by CIPS' Electric Environmental
18 Adjustment Clause (EEAC) and its Gas Environmental Adjustment Clause (GEAC)
19 riders.

20
21 **Q. Are you familiar with the subject matter of this proceeding?**

22 A. Yes, I am. By its order dated February 27, 2002, the Commission commenced
23 this proceeding for the purpose of requiring CIPS to reconcile revenue collected from its

1 electric and gas customers under its EEAC and its GEAC riders, with prudently incurred
2 costs in connection with certain defined environmental remediation activities associated
3 with its Illinois manufactured gas plant (MGP) site. The period covered by this
4 reconciliation proceeding is from January 1, 2001 through December 31, 2001.

5
6 **Q. What is the purpose of your testimony in this case?**

7 A. My testimony will present and discuss CIPS' Electric and Gas Environmental
8 Adjustment Clauses Annual Report for 2001 which was filed with the Commission on
9 March 28, 2002. A copy of this Report has been marked for identification in this
10 proceeding as CIPS Schedule A.

11
12 **Q. Before addressing the Company's Annual Report, for background please**
13 **give a brief description of CIPS' utility operations in Illinois.**

14 A. CIPS provides electric service to approximately 324,000 customers and natural
15 gas service to approximately 170,000 customers in central and southern Illinois.

16
17 **Q. For how many MGP or coal tar sites in the state of Illinois does CIPS have**
18 **responsibility?**

19 A. CIPS has identified fourteen MGP sites for which the Company has and will
20 continue to incur environmental cleanup costs as a potentially responsible party ("PRP")
21 under Federal and State law. The Company's Annual Reports provide background
22 information with regard to these sites. In addition, Company witness Donald L.
23 Richardson will provide testimony in the matter regarding such sites.

1
2 **Q. Did CIPS incur any environmental remediation activities costs associated**
3 **with its Illinois MGP sites for the 2001 reconciliation period?**

4 A. Yes, it did.
5

6 **Q. Please describe the information set forth in the Electric and Gas**
7 **Environmental Adjustment Clauses Annual Report for 2001 marked for**
8 **identification as CIPS Schedule A?**

9 A. Both Electric and Gas Environmental Adjustment Clause riders were utilized for
10 all twelve months of 2001. The revenues collected were \$4,897,761.82. Actual
11 environmental cleanup costs were \$5,712,543.64. Thus, the final reconciliation shows an
12 under recovery of \$814,781.82 for the calendar year 2001.
13

14 **Q. Mr. Mans, what is the status of CIPS' Rider reconciliation for 2000?**

15 A. This reconciliation was addressed in Commission Docket No. 01-0378. This
16 docket, as well as all prior annual reconciliation dockets have been finalized and
17 agreed. Staff witness Leslie Pugh has determined the cumulative under recovery at
18 December 31, 2001 to be \$360,424.53. The Company plans to include the cumulative
19 under recovery, as agreed, in the normal operation of the riders in 2002.
20

21 **Q. Would you discuss the present status of the operation of the Riders?**

22 A. The Company expects to incur environmental clean-up costs at its Illinois MGP
23 sites. In 2002, we are filing monthly EEAC and GEAC factors.

1
2 **Q. Will the Company present evidence in this proceeding as to the prudence of**
3 **the costs collected through its Riders?**

4 A. Yes, the Company will address the prudence of such costs in SDR-001-002 for
5 Docket No. 02-0168. In addition, Company witness Donald L. Richardson will testify as
6 to the environment activities performed at certain of the MGP sites.

7
8 **Q. Has the Company received and responded to data requests from the Staff in**
9 **this matter?**

10 A. Yes, it has. Attached hereto as CIPS' Schedule B are the Company's responses to
11 Staff Data Request Nos. LAP-004 through LAP-006, LAP 008, LAP-009, LAP-015, and
12 LAP-019 through LAP-022.

13
14 **Q. Will public notice of the filing of CIPS' evidence in this proceeding be given?**

15 A. In accordance with the Commission's February 27th order, arrangements have
16 been made for notice of the filing of the Company's evidence to be published once each
17 week for two consecutive weeks in newspapers of general circulation in the Company's
18 Illinois service territory. In addition, copies of a public notice will be posted and the
19 evidentiary filing made available at the Springfield, Illinois business office of the
20 Company.

21
22 **Q. Does this conclude your testimony?**

23 A. Yes, it does.

SCHEDULE B

Ameren CIPS' Response to ICC Staff Data Request ICC Docket No. 02-0168

Company Person Responsible: Leonard A. Mans
Title: General Accounting Supervisor
Business Address: 1901 Chouteau Avenue
St. Louis, MO 63103
Phone: (314)-554-2203

Data Request:

LAP-022

How much of the total amount of interest identified in response to question LAP-21 was collected during the current reconciliation period?

Response:

None.

SCHEDULE B

Ameren CIPS' Response to ICC Staff Data Request ICC Docket No. 02-0168

Company Person Responsible: Leonard A. Mans
Title: General Accounting Supervisor
Business Address: 1901 Chouteau Avenue
St. Louis, MO 63103
Phone: (314)-554-2203

Data Request:

LAP-021

What is the total amount of interest charges the Company has collected from customers related to the cleanup of manufactured gas plant sites?

Response:

The company has not collected any interest charges from customers relating to the cleanup of manufactured gas plant sites. Rather the company calculated carrying charges on the excess amount of insurance proceeds compared to actual remediation expenditures between 1993 and 1997. The amount of calculated carrying costs to date is \$4,086,911.78. Like the insurance proceeds, these carrying costs were used to reduce the amount of remediation costs recovered from ratepayers. The riders were not used to bill ratepayers until cumulative actual remediation expenditures exceeded the insurance proceeds plus the calculated carrying costs.

SCHEDULE B

Ameren CIPS' Response to ICC Staff Data Request ICC Docket No. 02-0168

Company Person Responsible: Leonard A. Mans
Title: General Accounting Supervisor
Business Address: 1901 Chouteau Avenue
St. Louis, MO 63103
Phone: (314)-554-2203

Data Request:

LAP-020

What portion of the insurance proceeds recovered to date have been refunded to ratepayers or used to reduce the manufactured gas plant sites remediation costs recovered from ratepayers?

Response:

Of the \$37,047,028.49 insurance proceeds received to date, \$33,820,059.33 has been used to reduce the manufactured gas plant sites remediation costs recovered from ratepayers.

SCHEDULE B

Ameren CIPS' Response to ICC Staff Data Request ICC Docket No. 02-0168

Company Person Responsible: Leonard A. Mans
Title: General Accounting Supervisor
Business Address: 1901 Chouteau Avenue
St. Louis, MO 63103
Phone: (314)-554-2203

Data Request:

LAP-019

How much has the Company recovered to date from insurance companies related to its manufactured gas plant sites?

Response:

The amount received to date from insurance companies relating to manufactured gas plant sites is \$37,047,028.49.

SCHEDULE B

Ameren CIPS' Response to ICC Staff Data Request ICC Docket No. 02-0168

Company Person Responsible: Leonard A. Mans
Title: General Accounting Supervisor
Business Address: 1901 Chouteau Avenue
St. Louis, MO 63103
Phone: (314)-554-2203

Data Request:

LAP-015

Prepare and provide a schedule showing the calculation of Rider EEAC and GEAC revenues. This schedule should be divided by customer class for each month of the reconciliation period. The calculation should use actual KWHs o
therms sold, should be multiplied by the monthly factor, and should result in
totals by class, month, and reconciliation year.

Response:

See attached schedule.

SCHEDULE B

Ameren CIPS' Response to ICC Staff Data Request

ICC Docket No. 02-0168

Company Person Responsible: Leonard A. Mans
Title: General Accounting Supervisor
Business Address: 1901 Chouteau Avenue
St. Louis, MO 63103
Phone: 314-554-2203

Data Request:

LAP-014 Describe the Company's policy regarding review of the workpapers of Company's independent accounting firm by the Staff of the Illinois Commerce Commission.

Response

The Company will make available for inspection accounting workpapers, to the extent such documents exist, at its headquarters in St. Louis, MO.

SCHEDULE B

Ameren CIPS' Response to ICC Staff Data Request ICC Docket No. 02-0168

Company Person Responsible: Leonard A. Mans
Title: General Accounting Supervisor
Business Address: 1901 Chouteau Avenue
St. Louis, MO 63103
Phone: (314)-554-2203

Data Request:

LAP-009

Provide copies of pages from the general ledger, along with a description of the appropriate account numbers, which show the revenues associated with the Company's Riders EEAC and GEAC during the 2001 reconciliation period. If the revenues attributable to Riders EEAC and GEAC are not separately recorded in the general ledger, provide a schedule describing how the revenues attributable to Riders EEAC and GEAC and the revenues not attributable to Riders EEAC and GEAC can be derived for the reconciliation period.

Response:

See attached schedules. EEAC and GEAC rider revenues are recorded in the deferred debit account: 186-044. Revenues were booked on a GL458 or a PA502 Journal ID. The attached schedule can be cross-referenced to the General Ledger queries submitted with data request LAP-005 by using the Journal ID reference.

SCHEDULE B

Ameren CIPS' Response to ICC Staff Data Request ICC Docket No. 02-0168

Company Person Responsible: Leonard A. Mans
Title: General Accounting Supervisor
Business Address: 1901 Chouteau Avenue
St. Louis, MO 63103
Phone: (314)-554-2203

Data Request:

LAP-008 Provide customer billing history information for three customers in each billing cycle during August 2001. The billing history should include the KWH and/or therms used and the Rider EEAC and GEAC charges. Provide a mix of customers from each rate class.

Response: Attached are copies of three randomly selected customer bills in each billing cycle for CIS and CSS billing systems during August 2001.

SCHEDULE B

Ameren CIPS' Response to ICC Staff Data Request ICC Docket No. 02-0168

Company Person Responsible: Leonard A. Mans
Title: General Accounting Supervisor
Business Address: 1901 Chouteau Avenue
St. Louis, MO 63103
Phone: (314)-554-2203

Data Request:

LAP-006

Indicate whether costs included in the 2001 annual reconciliation are limited to costs payable to outside providers.

Response:

MGP cleanup costs incurred in 2001 and reflected in the EEAC and GEAC riders are limited to amounts paid to third party vendors. Expenses related to labor or travel of company employees and company stores expenses are excluded.

SCHEDULE B

Ameren CIPS' Response to ICC Staff Data Request ICC Docket No. 02-0168

Company Person Responsible: Leonard A. Mans
Title: General Accounting Supervisor
Business Address: 1901 Chouteau Avenue
St. Louis, MO 63103
Phone: (314)-554-2203

Data Request:

LAP-005 Provide copies of pages from the general ledger, along with a description of the appropriate account numbers, which detail expenses associated with the Company's Riders EEAC and GEAC through the 2001 reconciliation period. Cross-reference the amounts included in the general ledger accounts to the schedule provided in the response to LAP-004.

Response:

Attached are copies of pages from the general ledger queries pertaining to the MGP cleanup activity for 2001. Both expenditures and rider revenues are recorded in a deferred debit account: 186-044. On each monthly query, there is a column titled "Journal ID" This indicates the source documents for amounts booked to the deferred debit account. Expenditures are recorded by a "AP001," "PA302" and "PA502" Journal ID. Rider revenues are recorded by either a GL458 or a PA502 Journal ID. Reclass adjustments are booked on either a MJ 401, MJ426 or MJ427 Journal ID. Data can be cross-referenced to individual site projects by using the Journal ID and Cash Voucher Numbers.

ICC Docket No. 02-0168
Schedule A

Central Illinois Public Service Company
Reconciliation For Annual Recovery Period
Ending December 31, 2001

| | <u>Amount</u> |
|---|---------------------------|
| Rider Revenues | \$4,897,762 |
| Insurance Recoveries | \$0 |
| Total Revenues | \$4,897,762 |
| Actual Costs | <u>\$5,712,544</u> |
| Balance for Calendar Year- Over/ (Under) Recovery | <u><u>(\$814,782)</u></u> |

Central Illinois Public Service Company d/b/a AmerenCIPS
Cumulative Status of Recoveries and Costs
Associated with Riders EEAC & GEAC
At 12/31/00

| | | * | | | |
|--------------------------------|------------|-----------------------|---|-----------------------|--------------------------------|
| | | Actuals per CIPS | Actuals Including Accepted Staff Adj 01-378 | Actuals per CIPS | Per CIPS Cumulative Actuals |
| | | 2000 | Cum 12/31/00 | 2001 | 02-0168 12/31/01 |
| JB # | WO # | | | | |
| EEAC/GEAC Recoveries | OK075 | \$605,716.08 | \$8,638,163.38 | \$4,897,761.82 | \$13,535,925.20 |
| Insurance Recoveries | OK515 | \$0.00 | \$33,820,059.33 | \$0.00 | \$33,820,059.33 |
| Total Recoveries | | \$605,716.08 | \$42,458,222.71 | \$4,897,761.82 | \$47,355,984.53 |
| Taylorville Lawsuit II-Brannan | OK092 | \$0.00 | \$0.00 | \$41,491.37 | \$41,491.37 |
| Murphysboro | OK160 | | \$0.00 | \$8,903.00 | \$8,903.00 |
| Taylorville | 2056 - | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Beardstown | 2058 OK500 | \$727,314.53 | \$1,407,031.50 | \$4,703,111.43 | \$6,110,142.93 |
| Canton | 2059 OK501 | \$38,219.74 | \$579,628.98 | \$76,697.20 | \$656,326.18 |
| DuQuoin | 2071 OK503 | \$2,622.56 | \$1,201,079.18 | \$3,316.85 | \$1,204,396.03 |
| Hoopeston | 2061 OK504 | \$0.00 | \$11,284.00 | \$2,273.67 | \$13,557.67 |
| Charleston | 2060 OK506 | \$0.00 | \$5,383.15 | \$52.23 | \$5,435.38 |
| Macomb | 2062 OK507 | \$0.00 | \$4,758.01 | \$145.95 | \$4,903.96 |
| Pana | 2063 OK508 | \$0.00 | \$8,081.85 | \$54.78 | \$8,136.63 |
| Paris | 2064 OK509 | \$0.00 | \$3,747.54 | \$50.64 | \$3,798.18 |
| Quincy | 2065 OK510 | \$0.00 | \$6,817.80 | \$2,175.15 | \$8,992.95 |
| Shelbyville | 2066 OK511 | \$0.00 | \$5,784.31 | \$52.62 | \$5,836.93 |
| Insurance Litigation | 2085 OK513 | (\$271.71) | \$16,411,166.19 | \$0.00 | \$16,411,166.19 |
| Mattoon | 2090 OK514 | \$0.00 | \$29,332.37 | \$74.76 | \$29,407.13 |
| T'ville Pump/Treat Constr | 2187 OK516 | \$0.00 | \$8,250,270.64 | \$0.00 | \$8,250,270.64 |
| Personal Injury Litigation | 3157 OK517 | \$25,636.99 | \$12,501,295.07 | \$531,929.96 | \$13,033,225.03 |
| T'ville Pump/Treat O & M | 2250 OK531 | \$378,578.98 | \$2,358,571.15 | \$342,214.03 | \$2,700,785.18 |
| DuQuoin Arbitration | 2224 OK555 | \$0.00 | \$34,415.50 | \$0.00 | \$34,415.50 |
| Allowed Expenditures | | \$1,172,101.09 | \$42,818,647.24 | \$5,712,543.64 | \$48,531,190.88 |
| Carrying Costs | | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Total Costs | | \$1,172,101.09 | \$42,818,647.24 | \$5,712,543.64 | \$48,531,190.88 |
| Over (Under) Recovery | | (\$566,385.01) | (\$360,424.53) | (\$814,781.82) | (\$1,175,206.35) |

* The cumulative as of 12/31/2000 reflects staff audit adjustments agreed to on Docket # 01-378 in the amount of \$18,351.

CENTRAL ILLINOIS PUBLIC SERV
Cumulative EEAC and GEAC Revenues by Class
at 12/31/01

ICC Docket No. 02-0168
Schedule A

| Actual EEAC Revenues | | Cumulative Revenues | |
|-----------------------------|--------------|----------------------------|--------------------|
| <u>Rate Class</u> | <u>2000</u> | <u>2001</u> | <u>at 12/31/01</u> |
| Residential | \$198,976.77 | \$1,616,160.31 | \$4,784,093.47 |
| Commercial | \$158,969.50 | \$1,265,167.94 | 2,652,688.49 |
| Industrial | \$82,232.04 | \$802,734.44 | 3,049,237.22 |
| Municipal | \$40,172.43 | \$115,589.67 | 242,173.80 |
| Total | \$480,350.74 | \$3,799,652.36 | \$10,728,192.98 |

| Actual GEAC Revenues | | Total | |
|-----------------------------|--------------|----------------|----------------|
| <u>Rate Class</u> | <u>2000</u> | <u>2001</u> | <u>Total</u> |
| Residential | \$77,238.56 | \$699,229.98 | \$1,802,801.93 |
| Commercial | \$26,233.48 | \$248,490.10 | 610,828.37 |
| Industrial | \$21,893.30 | \$150,389.38 | 394,101.92 |
| Municipal | \$0.00 | \$0.00 | 0.00 |
| Total | \$125,365.34 | \$1,098,109.46 | \$2,807,732.22 |

| | | | |
|--------------------------------------|---------------------|-----------------------|------------------------|
| Annual Environmental Revenues | \$605,716.08 | \$4,897,761.82 | \$13,535,925.20 |
|--------------------------------------|---------------------|-----------------------|------------------------|

Central Illinois Public Service Company

Manufactured Gas Plant Sites

2001 Actual Costs

| <u>Work Order</u> | <u>Job Order</u> | <u>Location</u> | <u>Amount</u> |
|-------------------|------------------|--|--------------------|
| OK092 | | Brannan Lawsuit | \$41,491 |
| OK160 | | Murphysboro-Investigation and Cleanup | \$8,903 |
| OK500 | JB2058 | Beardstown-Investigation and Cleanup | \$4,703,111 |
| OK501 | JB2059 | Canton-Investigations and Cleanup | \$76,697 |
| OK503 | JB2071 | Duquoin-Investigation and Cleanup | \$3,317 |
| OK504 | JB2061 | Hoopeston-Investigation and Cleanup | \$2,274 |
| OK506 | JB2060 | Charleston-Investigation and Cleanup | \$52 |
| OK507 | JB2062 | Macomb-Investigation and Cleanup | \$146 |
| OK508 | JB2063 | Pana-Investigation and Cleanup | \$55 |
| OK509 | JB2064 | Paris-Investigation and Cleanup | \$51 |
| OK510 | JB2065 | Quincy-Investigation and Cleanup | \$2,175 |
| OK511 | JB2066 | Shelbyville-Investigation and Cleanup | \$53 |
| OK514 | JB2090 | Mattoon- Investigation and Cleanup | \$75 |
| OK517 | JB3157 | Donaldson Case-Remediation Bodily Injury Litigation | \$531,930 |
| OK531 | JB2250 | Taylorville-Pump & Treat System O & M Costs | <u>\$342,214</u> |
| Total | | | <u>\$5,712,544</u> |

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

| | | |
|--|---|---------------------------|
| ILLINOIS COMMERCE COMMISSION, on |) | |
| its own Motion, |) | |
| |) | |
| vs. |) | Docket No. 02-0168 |
| |) | |
| CENTRAL ILLINOIS PUBLIC SERVICE |) | |
| COMPANY d/b/a AmerenCIPS |) | |
| |) | |
| Reconciliation of revenues collected under |) | |
| Coal Tar Riders with prudent costs associated |) | |
| with coal tar clean up expenditures |) | |

AFFIDAVIT OF LEONARD A. MANS

| | | |
|-------------------|---|----|
| STATE OF MISSOURI |) | |
| |) | SS |
| CITY OF ST. LOUIS |) | |

Leonard A. Mans, being first duly sworn on his oath, states:

1. My name is Leonard A. Mans. I work in St. Louis, Missouri and I am a Supervisor in the General Accounting Department of the Controller's Function.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony consisting of 6 pages, along with Schedules A and B, prepared in written form for introduction into evidence in Illinois Commerce Commission Case No. 02-0168 on behalf of Central Illinois Public Service Company d/b/a AmerenCIPS.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

Leonard A. Mans
Leonard A. Mans

Subscribed and sworn to before me this 29th day of April, 2002.

Carol A. Head
Notary Public

My Commission expires: 9-23-2002

